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C O N F I D E N T I A L SECTION 01 OF 02 QUITO 000850

SIPDIS

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TAGS: [PGOV](#) [PREL](#) [ASEC](#) [EC](#)

SUBJECT: EXHAUSTED GUTIERREZ JUSTIFIES EMERGENCY, OUTLINES
NEXT STEPS

REF: A. QUITO 842

- [1](#)B. QUITO 841
- [1](#)C. QUITO 840
- [1](#)D. QUITO 839
- [1](#)E. QUITO 836

Classified By: Ambassador Kristie A. Kenney, Reason 1.4 (b)

[1](#)1. (C) SUMMARY: A fatigued President Lucio Gutierrez met with the Ambassador over breakfast April 18 and discussed the now-withdrawn state of emergency (Reftels) and his plans for reducing political temperatures. Gutierrez defended the April 15 decree, but claimed security conditions had improved sufficiently to merit its next-day retraction. He worried that street protests demanding his resignation would continue, however.

[1](#)2. (C) Ordering the state of emergency was a bad tactical move, the Ambassador asserted, and not notifying the Embassy beforehand a breach of trust. She warned that other harsh GoE moves, especially any attempt at dissolving the legislature, would not be tolerated by the USG. Congress's resolution April 17 that vacated the Supreme Court (Septel) offered the president a chance to be conciliatory and perhaps reduce calls for his head; he needed to capitalize. Gutierrez claimed his team was reaching out the opposition and had sought a Church role in spurring dialog. We are not sanguine over his long term political prospects. END SUMMARY.

Demonstrations Taking Their Toll

[1](#)3. (C) During the 22-hour Quito state of emergency, the Ambassador and Gutierrez conversed twice; in their second telcon, she requested a face-to-face. A bleary-eyed president greeted her April 18 at their Presidential Palace working breakfast (Administration Secretary Carlos Polit later confirmed that Gutierrez had worked straight through the night). He turned immediately to the emergency decree, again claiming it was the only option available to ensure the Supreme Court did not nullify arrest orders against two fugitive bankers and simultaneously foment a bank run (Ref D). The order had had its desired effect: dismissing the temporary Court and calming Quito's streets. As such, repealing it after less than one day was an easy call.

[1](#)4. (C) Quito's social convulsions were the capital's alone, Gutierrez argued. Elsewhere he was as popular as ever -- in western lowlands province Los Rios, which the president had visited April 17, residents had called for his re-election. He believed street protests in Quito would continue, however, and recognized their potentially destabilizing effects. Nonetheless, Gutierrez would not clamp down on press freedoms, even allowing the borderline-seditious Radio Luna to continue broadcasting. He congratulated Congress for its day-earlier decision to vacate the Supreme Court, and hoped members would make good on their commitment to repopulate it with apolitical justices.

[1](#)5. (C) Gutierrez accepted and understood the public's disgust with the return of exiled former President Abdala Bucaram (PRE), the work of now ex-Supreme Court president Guillermo Castro. The president disliked having to turn to parties like the PRE and PRIAN, but six months ago, he had no other choice (referring to the opposition's October/November 2004 attempt to impeach him). With 89 deputies supporting the April 16 resolution, Gutierrez hoped a new spirit of cooperation might reign in Congress. He waxed confident that history would judge him well for forcing debate and ultimate independence of Ecuador's judiciary.

Cause for Concern, Not Emergency

[1](#)6. (C) The Ambassador differed with Gutierrez's rosy portrayal of the situation. While the media harangue and daily "cacerolazos" (noisy but non-violent street protests) were nuisances and merited GoE attention, declaring a state of emergency was a mistake. If anything, it had steeled the opposition's resolve and tilted a wavering public solidly against the president. She also expressed indignance that the Embassy learned of the decree unofficially, noting she

and the foreign minister had spoken just one hour before Gutierrez announced the measure on nationwide television. (Gutierrez said the FM was out of the loop; only a few insiders knew of the plan.) USG opposition aside, the Ambassador praised the restraint shown by Ecuador's security forces during the 22-hour emergency.

17. (C) She cautioned Gutierrez that the USG would not tolerate further moves that threatened the independence of Ecuadorian institutions, Congress in particular. In passing the April 16 resolution, the legislature had displayed rare unanimity and concern for the national interest. The president would be wise to praise publicly Congress's move and promise his administration's full cooperation in birthing a truly independent judiciary. Conversely, inflammatory public remarks such as the president's "If I leave, it will only be feet first" would only embolden his political enemies.

18. (C) Administration press outreach was a good beginning, she offered. The government might also look to restart dialog with political opponents. Aware the presence of certain Gutierrez insiders infuriated the opposition, the Ambassador queried whether another Cabinet "re-oxygenation" awaited. Last, she emphasized that Ecuador had friends in the hemisphere wanting to help -- had he thought of requesting OAS or further UN assistance?

Similar Thoughts

19. (C) Gutierrez revealed the Cabinet would assemble later in the morning. Topping the agenda was an analysis of Congress's resolution and how it might be utilized to lower temperatures and spur compromise. His administration already had reached out to Guayaquil Mayor Jaime Nebot (PSC), whom he considered approachable. Concurrently, unofficial advisor Guayaquil banker Guillermo Lasso was gauging the Church's interest in assuming a conciliatory role in resolving the political crisis. Gutierrez dodged the Ambassador's inquiries regarding a Cabinet but hinted at invitation to the OAS and/or UN, however.

110. (C) Two hours later, the Ambassador dialed Defense Minister Nelson Herrera. Ecuador's armed forces had performed responsibly in an unenviable job, she believed. As the president looked exhausted and thus apt to err, the Ambassador hoped Herrera might advise the chief executive to get some rest. Herrera promised that the troops would continue to comply with their constitutional obligations and not play politics. He considered the state of emergency tactically and morally wrong, but the Constitution mandated he enforce the order. The president regularly burned midnight oil; Herrera agreed he appeared sleep-deprived.

COMMENT:

11. (C) An optimist would consider last night's Congressional unanimity proof the legislature has back-burnered partisanship in hopes of fixing Ecuador's dysfunctional judiciary. Pressure against Gutierrez therefore should diminish, the theory goes. Having witnessed Ecuador dispose eight presidents in eight years, however, we aren't so optimistic, despite the president's enviable survival instincts. The "street" continues to protest, for example, with calls of "Fuera (Out!) Lucio" joining the incessant horn-honking and pot-banging now commonplace city-wide. Business elite in Quito also now calling for his ouste. And an opposition lawmaker, shortly before Congress passed the resolution, claimed that sufficient votes existed (51) to declare Gutierrez mentally unfit to govern. Septel details Embassy next steps; we will continue to tell all who will listen (and some who won't) that dialogue is key, and that a rotating-door presidency benefits no one.

KENNEY